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**TO: Economic Support Supervisors
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**FROM: Amy Mendel-Clemens
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BHCE/BWP OPERATIONS MEMO

No.: 03-28

Date: 04/17/2003

Non W-2 [X] W-2 [] CC []

PRIORITY: HIGH

SUBJECT: Food Stamp Asset Policy Change

CROSS REFERENCE: Farm Security and Rural Investment Act of 2002, Section 4107
(2002 Farm Bill)
7CFR273.8
FSH Appendix 11.02.00 - 11.02.04; 23.03.02
Operations Memo 02-11

EFFECTIVE DATE: May 1, 2003

PURPOSE

The purpose of this memo is to describe the removal of real property as a counted asset and removal of the verification requirement for liquid assets unless questionable for the Food Stamp Program.

BACKGROUND

The 2002 Farm Bill provides opportunity for several changes in the Food Stamp Program. The State of Wisconsin is exploring options in the Act and will implement those that meet our goals of simplified program administration, easier access to the program, and improved program integrity.

One of the options we have chosen to implement is a simplified definition of assets. The verification requirements for assets will also be reduced for food stamp eligibility determinations. The average liquid assets for food stamp households in Wisconsin is less than \$200. This is well below the asset limit for food stamp eligibility. The requirement to verify reported assets places an additional burden on food stamp applicants and local agency staff.

Food stamp benefit errors related to excess assets rarely occur. Therefore, verification of reported assets will no longer be required unless the information is questionable.

CURRENT POLICY

All assets are counted toward the food stamp asset test unless specifically excluded by policy. The equity value of non-homestead real property is currently counted as an asset unless verification has been provided that a good faith effort is being made to sell the property. The asset limit for food stamp groups that contain an elderly or disabled individual is \$3,000. The asset limit for all other food stamp groups is \$2,000. Food stamp recipients are required to report changes in countable assets within 10 days if the total household assets exceed the asset limit. There is no asset test for categorically eligible food stamp groups.

CURRENT CARES PROCEDURE

Eligibility workers gather information regarding assets from food stamp applicants at initial certification and recertification. Verification of reported assets is required. CARES will pend food stamp eligibility for asset verification and deny food stamp benefits if assets are not verified. Food stamp recipients are required to report changes in assets that would cause the household to exceed the asset limit if the household is not categorically eligible for food stamp benefits.

NEW POLICY

REAL PROPERTY IS NO LONGER A COUNTABLE ASSET

Effective May 1, 2003, all real property will not be counted as an asset in the food stamp eligibility determination. Non-homestead real property information currently gathered on screen AARP will no longer affect food stamp eligibility.

REMOVAL OF ASSET VERIFICATION REQUIREMENT

Counted assets require verification for food stamp eligibility only when information received regarding the asset is questionable. For example, if the total reported assets are close to the asset limit, the reported amount(s) are questionable and verification may be requested. The reason that the information is questionable must be documented in the Case Comments in the CARES record.

Questionable items are those where:

1. Reported assets are within \$100 of the household's asset limit.
2. There are inconsistencies in the group's oral and written statements.
3. There are inconsistencies between the group's claims and other contacts, documents or prior records.
4. The applicant or his/her authorized representative is unsure of the accuracy of his/her own statements.

5. The applicant has been sanctioned due to a Food Stamp Intentional Program Violation (IPV).

CASE PROCESSING CHANGES

Unless the applicant or recipient is requesting MA and is age 65+ or disabled, the worker should not ask questions about non-homestead real property nor should the worker list these assets on screen AARP.

If the counted asset information provided by a food stamp applicant or recipient is not questionable, do not request further verification of the asset for food stamp benefits.

If the counted asset information is questionable, document the reason on screen CMCC and request verification from the recipient by entering the Q? in the verification field on AALA. This action will be applied to two fields on AALA, asset type and amount. If requested verification is not provided timely, change the Q? to QV and food stamp benefits will be denied or terminated.

NOTE ➤ The entry of a “?” or an “NV” in the verification fields for asset type and amount on AALA will not pend or fail the food stamp case.

EFFECT ON OTHER PROGRAMS

This new functionality will have no impact on the other benefit programs.

CONTACTS

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Note: Email contacts are preferred. Thank you.